Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Oct. 6, 2005

Contents

The next release is Oct. 13, '05

Grain Transportation Costs by Water Route to Mexico Continue Decline. Waterborne corn and soybean transportation costs, from Illinois to Guadalajara, Mexico, continued downward during second quarter 2005, decreasing 5 percent over first quarter 2005. Wheat transportation from Kansas also continued downward decreasing 7 percent over first quarter 2005. This was due to a decline in ocean and barge rates (table 1). For the year, waterborne transportation costs have decreased 10 percent for corn and soybeans and over 13 percent for wheat.

Ocean transportation rates decreased almost 12 percent for corn, soybeans, and wheat, while barge rates decreased 17 percent for corn and soybeans, and 29 percent for wheat (table 1). Reasons for declining ocean freight rates include softening global economic growth and China's interest in steel sector self-reliance (see 8/4/2005 *Grain Transportation Report*). Barge rate changes reflect normal seasonal fluctuations.

Truck rates from Oklahoma to Guadalajara decreased by over 13 percent resulting in a better than 1 percent decrease in wheat transportation costs. Conversely, a 13 percent increase in truck rates caused a slight increase in land route corn and soybean transportation costs from Iowa, Nebraska, and Minnesota to Guadalajara.

Table 1-Quarterly costs of transporting U.S. corn to Guadalajara, Mexico

	Water route			Land route		
	$/metric ton					
	2005 1st qtr.	2005 2nd qtr.	Percent change	2005 1st qtr.	2005 2nd qtr.	Percent change
Origin	**Corn IL**				**IA/NE**	
Truck	7.58	7.82	3.17	2.66	3.01	13.16
Rail	27.06	27.59	1.96	54.63	54.63	0.00
Ocean[1]	12.52	11.06	-11.66			
Barge[2]	14.97	12.41	-17.10			
Total transportation	62.13	58.88	-5.23	57.29	57.64	0.61
Farm Value[3]	83.20	82.15	-1.26	77.36	76.44	-1.19
Landed Cost	145.33	141.03	-2.96	134.65	134.08	-0.42
Transport % of landed cost	42.75	41.75		42.55	42.99	
Origin	**Soybeans IL**				**MN/NE**	
Truck	7.58	7.82	3.17	2.66	3.01	13.16
Rail	27.06	27.59	1.96	54.00	54.00	0.00
Ocean[1]	12.52	11.06	-11.66			
Barge[2]	14.97	12.41	-17.10			
Total	62.13	58.88	-5.23	56.66	57.01	0.62
Farm Value[3]	210.54	232.59	10.47	204.23	230.14	12.69
Landed Cost	272.67	291.47	6.89	260.89	287.15	10.07
Transport % of landed cost	22.79	20.20		21.72	19.85	
Origin	**Wheat KS**				**OK**	
Truck	16.09	15.59	-3.11	3.35	2.90	-13.43
Rail	27.06	27.59	1.96	45.82	45.65	-0.37
Ocean[1]	12.52	11.06	-11.66			
Barge[2]	11.49	8.16	-28.98			
Total	67.16	62.40	-7.09	49.17	48.55	-1.26
Farm Value[3]	118.31	115.01	-2.79	120.89	114.52	-5.27
Landed Cost	185.47	177.41	-4.35	170.06	163.07	-4.11
Transport % of landed cost	36.21	35.17		28.91	29.77	

[1]Estimated from Baltic Exchange quotes
[2]The Mississippi River closes from Minneapolis to just north of St. Louis during mid-December to late March
[3]Source: USDA/NASS

Transportation costs for corn are about 42 percent of landed cost by water route and 43 percent of landed cost by land route. For soybeans, transportation costs are about 20 percent of landed costs for water and land routes. Wheat transportation costs represent 35 and 30 percent of the total landed cost for water and landed routes, respectively.

Cross-Border Rail Grain Movements to Mexico Increase. As of September 28, 2005, the year-to-date cross-border U.S. grain deliveries to Mexico were 65,999 carloads. This is a 52 percent increase compared to the same period last year (see table 3 inside).

The Baltic Introduces "New Supramax Index." The Baltic Exchange has begun publishing its Supramax Index (BSI) along with the Baltic Handymax Index (BHMI). The BSI will replace the BHMI on January 3, 2006. The BSI is based on Supramax, a self trimming single deck bulkcarrier with approximate total carrying capacity of 52,454 metric ton deadweight (dwt). This type of vessel is larger than a typical Handymax carrier with a carrying capacity between 31,001 – 50,000 dwt. However, the vessel is smaller than most Panamax vesssels with average carrying capacity of 65,000 dwt. Supramax is introduced to reflect the current trend in bulk carrier sizes. Grain is usually transported by Handymax and Panamax vessels. BSI is currently being published as a U.S. dollar figure until January 3, 2006, when it will be published as an index figure to enable direct comparison with other Baltic dry market indices. The new index will serve as a continuous time series with the BHMI, and contribute to the Baltic Exchange Dry Index. www.balticexchange.com, Surajudeen.Olowolayemo@usda.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

	Truck	Rail**	Barge	Ocean	
Week ending				Gulf	Pacific
10/05/05	211	901	393	199	178
Compared with last week	↑	↑	↑	↑	↓

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

**The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads ($/bushel)

Commodity	Origin--destination	9/30/2005	9/23/2005
Corn	IL--Gulf	-0.76	n/a
Corn	NE--Gulf	-0.88	n/a
Soybean	IA--Gulf	-1.08	n/a
HRW	KS--Gulf	-0.98	-0.98
HRS	ND--Portland	-1.79	-1.74

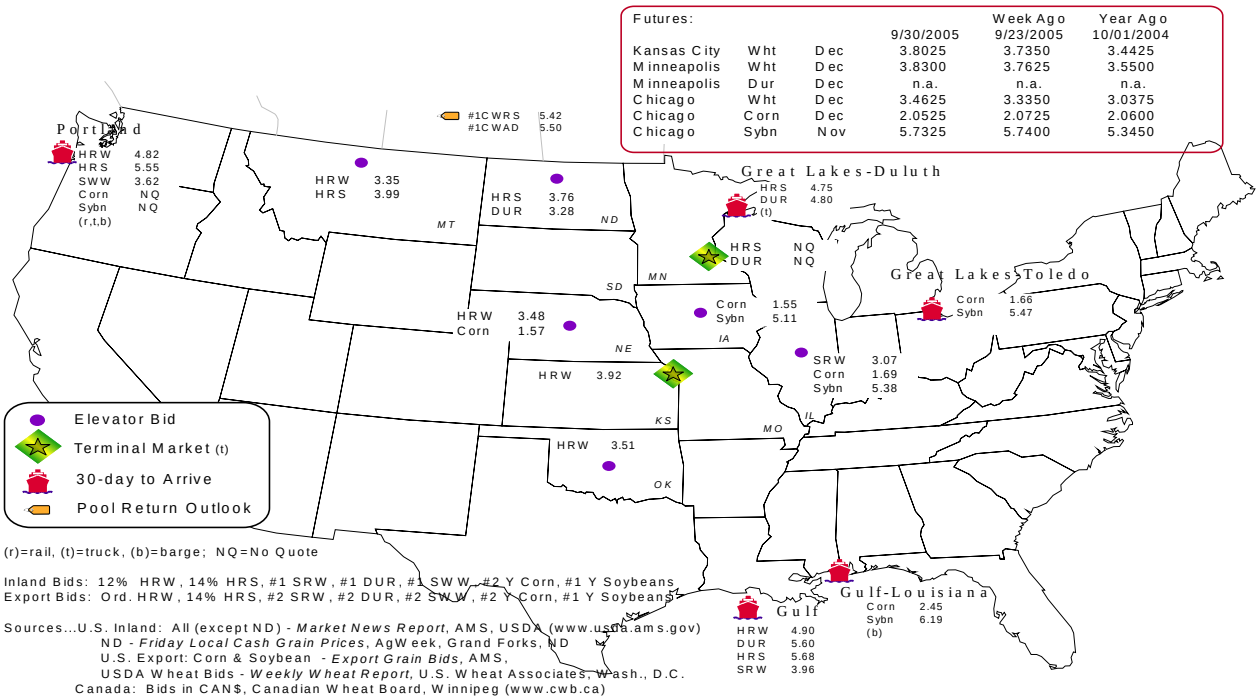
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
9/28/2005[p]	118	1,049	1,543	6,698	359	9,767
9/21/2005[r]	22	2,111	2,215	3,159	409	7,916
2005 YTD	7,853	70,036	65,999	165,654	9,068	318,610
2004 YTD	6,044	74,601	43,533	148,505	5,310	277,993
2005 as % of 2004	130	94	152	112	171	115
Total 2004	10,475	92,073	67,992	209,625	10,986	391,151
Total 2003**	14,843	88,194	48,805	157,125	20,509	329,476

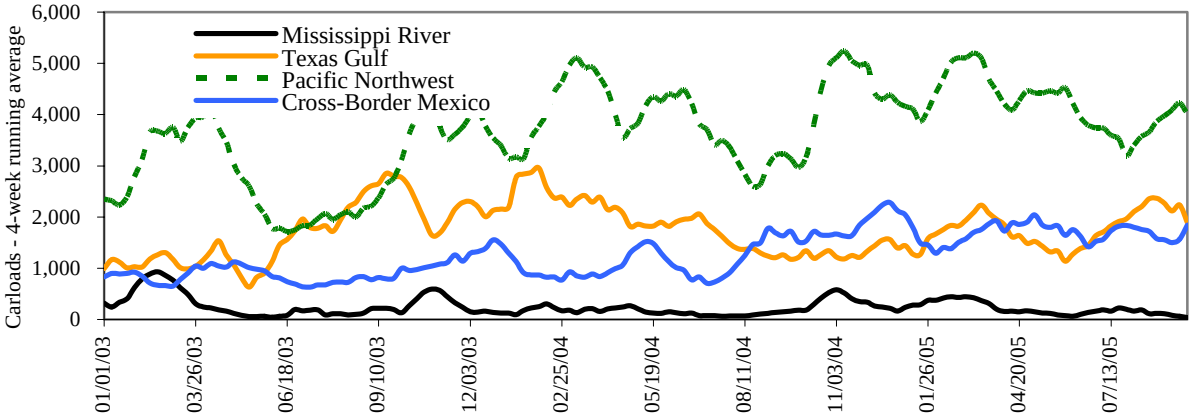
(*) Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Excludes 53rd week;YTD = year-to-date; p = preliminary data; r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

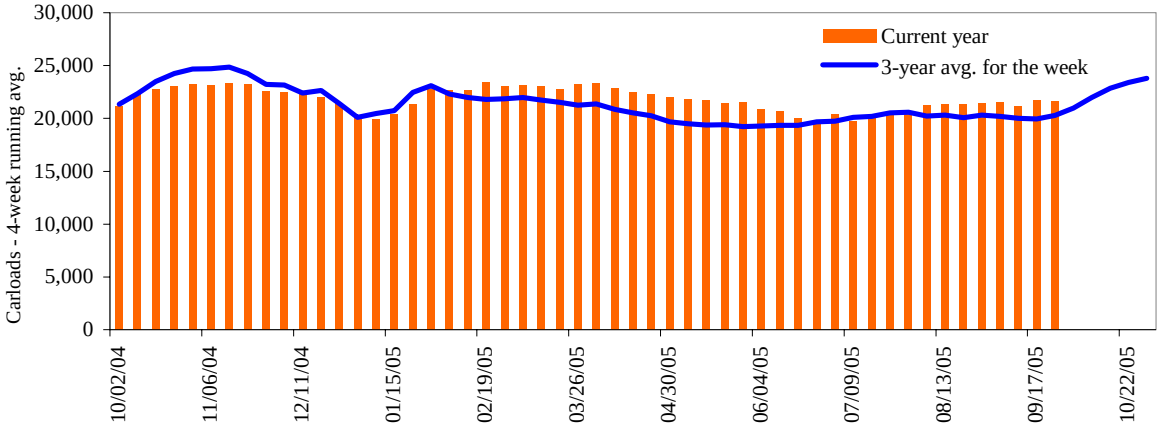
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
09/24/05	2,945	3,051	9,716	353	5,887	21,952	5,189	3,580
This week last year	2,574	3,199	9,111	851	6,390	22,125	3,347	3,625
2005 YTD	109,664	122,492	344,798	21,501	229,174	827,629	156,926	150,998
2004 YTD	102,914	121,889	328,633	19,197	244,596	817,229	171,612	148,146
2005 as % of 2004	107	100	105	112	94	101	91	102
Total 2004	142,206	169,650	458,587	27,618	327,510	1,125,571	237,664	210,060

Source: Association of American Railroads (www.aar.org); YTD = year-to-date

Table 5--Rail car auction offerings*, week ending 10/01/05 ($/car)**

Delivery for:	Nov-05	Dec-05	Jan-06
BNSF[1]			
COT/N. grain	$731	$576	$535
COT/S. grain	no offer	no offer	$452
UP[2]			
GCAS/Region 1	no offer	$704	no offer
GCAS/Region 2	no offer	$626	no offer

*Auction offerings are for single-car and unit train shipments only.

**Average premium/discount to tariff, last auction

[1]BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

[2]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

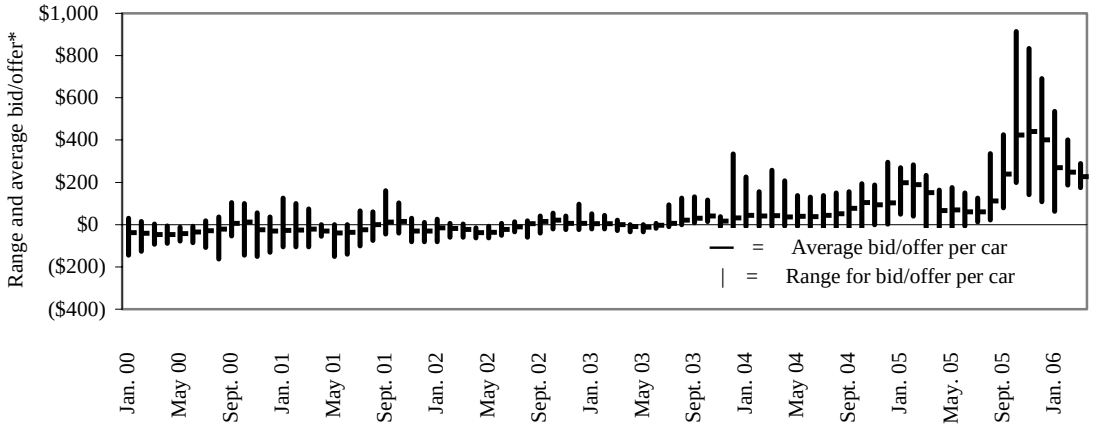
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 10/01/05 ($/car)*

	Delivery period			
	Nov-05	**Dec-05**	**Jan-06**	**Feb-06**
BNSF-GF	$779	$650	$536	$400
Change from last week	-$38	$0	$136	$62
UP-Pool	$833	$692	$450	$250
Change from last week	$66	$92	$175	$0

*Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date: 9/5/2005	Origin Region	Destination Region	Rate/car	Rate/metric ton	Rate/bushel**
Unit train*					
Wheat	Chicago, IL	Albany, NY	$1,861	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,020	$22.27	$0.61
	South Central, KS	Galveston, TX	$2,450	$27.01	$0.74
	Minneapolis, MN	Houston, TX	$2,420	$26.68	$0.73
	St. Louis, MO	Houston, TX	$2,360	$26.01	$0.71
	South Central, ND	Houston, TX	$3,952	$43.56	$1.19
	Minneapolis, MN	Portland, OR	$4,198	$46.27	$1.26
	South Central, ND	Portland, OR	$4,141	$45.65	$1.24
	Northwest, KS	Portland, OR	$4,490	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,002	$22.07	$0.60
Corn	Chicago, IL	Baton Rouge, LA	$2,510	$27.67	$0.70
	Council Bluffs, IA	Baton Rouge, LA	$2,370	$26.12	$0.66
	Kansas City, MO	Dalhart, TX	$1,965	$21.66	$0.55
	Minneapolis, MN	Portland, OR	$3,720	$41.01	$1.04
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.50
	Columbus, OH	Raleigh, NC	$1,700	$18.74	$0.48
	Council,Bluffs, IA	Stockton, CA	$3,606	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,455	$27.06	$0.74
	Council Bluffs, IA	Baton Rouge, LA	$2,315	$25.52	$0.69
	Minneapolis, MN	Portland, OR	$3,610	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.54
	Chicago, IL	Raleigh, NC	$2,391	$26.36	$0.72
Shuttle Train*					
Wheat	St. Louis, MO	Houston, TX	$1,820	$20.06	$0.55
	Minneapolis, MN	Portland, OR	$3,898	$42.97	$1.17
Corn	Fremont, NE	Houston, TX	$2,304	$25.40	$0.65
	Minneapolis, MN	Portland, OR	$3,024	$33.33	$0.85
Soybeans	Council Bluffs, IA	Houston, TX	$2,785	$30.70	$0.84
	Minneapolis, MN	Portland, OR	$3,410	$37.59	$1.02

*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8--Tariff rail rates for U.S. bulk grain shipments to Mexico, 2005

Effective date: 09/05/05

Commodity	Origin State	Border crossing region	Train size	Rate[1]	Rate/metric ton	Rate/bushel**
Wheat	KS	Brownsville, TX	Shuttle	$2,851	$29.13	$0.79
	ND	Eagle Pass, TX	Shuttle	$5,399	$55.17	$1.50
	OK	El Paso, TX	Shuttle	$2,264	$23.13	$0.63
	OK	El Paso, TX	Unit	$2,432	$24.85	$0.68
	AR	Laredo, TX	Unit	$2,383	$24.35	$0.66
	IL	Laredo, TX	Unit	$3,188	$32.57	$0.89
	MT	Laredo, TX	Shuttle	$4,298*	$43.92	$1.19
	TX	Laredo, TX	Shuttle	$2,165	$22.12	$0.60
	MO	Laredo, TX	Shuttle	$2,731	$27.90	$0.76
	WI	Laredo, TX	Unit	$3,405	$34.79	$0.95
Corn	NE	Brownsville, TX	Shuttle	$3,104	$31.72	$0.80
	NE	Brownsville, TX	Unit	$3,645*	$37.24	$0.95
	IA	Eagle Pass, TX	Unit	$3,334	$34.07	$0.86
	MO	Eagle Pass, TX	Shuttle	$3,040*	$31.06	$0.79
	NE	Eagle Pass, TX	Shuttle	$3,440*	$35.15	$0.89
	IA	Laredo, TX	Shuttle	$3,258	$33.29	$0.84
Soybean	IA	Brownsville, TX	Shuttle	$2,880	$29.43	$0.80
	MN	Brownsville, TX	Shuttle	$3,176	$32.45	$0.88
	NE	Brownsville, TX	Shuttle	$2,688	$27.47	$0.75
	NE	Eagle Pass, TX	Shuttle	$2,765	$28.25	$0.77
	IA	Laredo, TX	Unit	$2,918	$29.82	$0.81

A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[1]Rates are based upon published tariff rates for high-capacity rail cars.

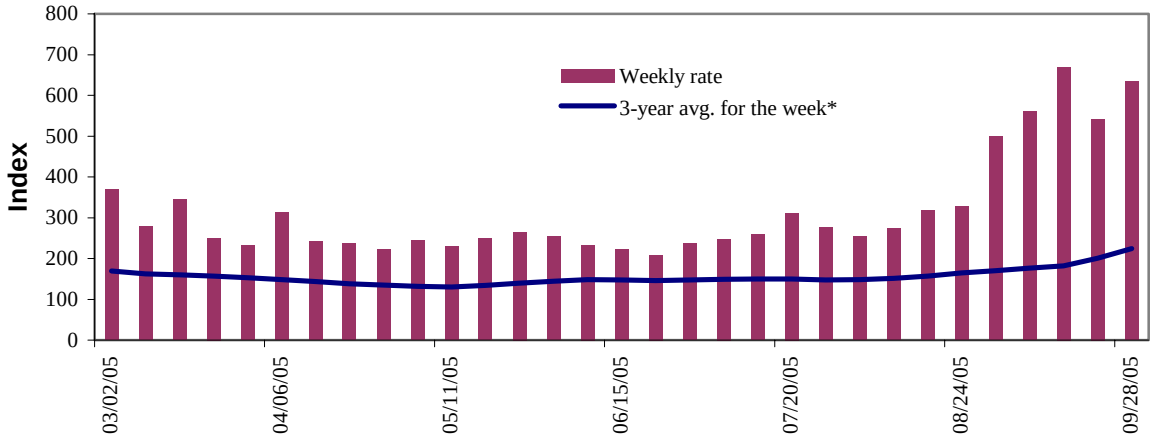
*High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Sources: www.bnsf.com, www.uprr.com

Barge Transportation

Figure 5
Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average
Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market** bids are indicators of grain transport supply and demand.

Table 9--Barge rate quotes: southbound barge freight

Location	9/28/2005	9/21/2005	Oct. '05	Dec. '05
Twin Cities	548	485	580	n/a
Mid-Mississippi	611	508	604	n/a
Illinois River	633	542	617	367
St. Louis	715	509	600	334
Lower Ohio	654	552	600	351
Cairo-Memphis	710	550	600	327

Index = percent of tariff, based on 1976 tariff benchmark rate
Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 6
Benchmark tariff rates

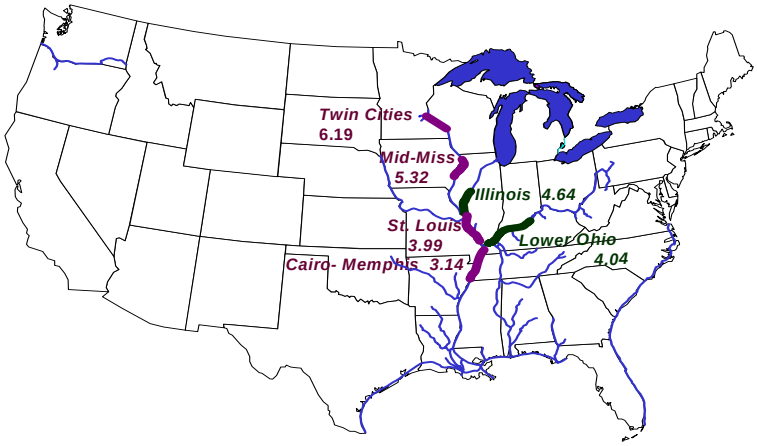
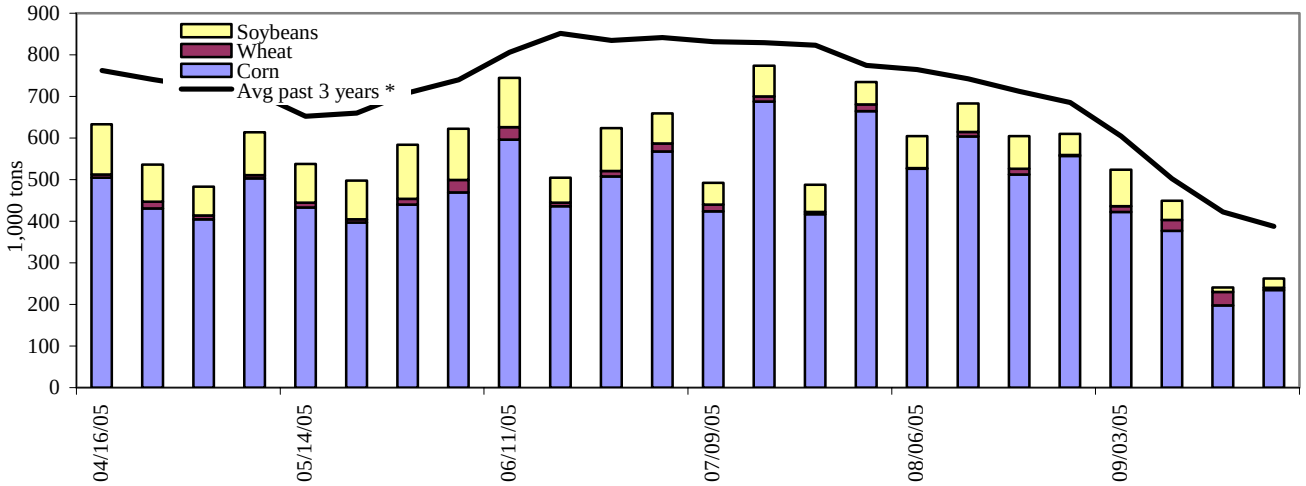


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)



* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

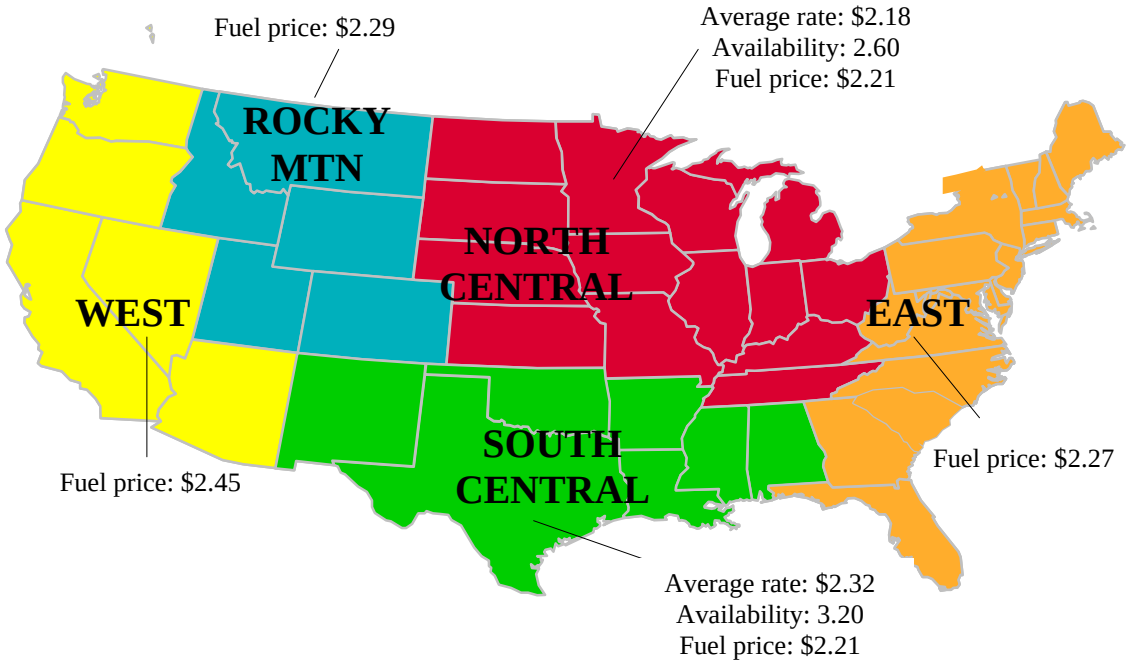
Week ending 9/24/2005	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	83	3	12	0	98
Winfield, MO (L25)	165	4	14	2	185
Alton, IL (L26)	226	5	22	2	255
Granite City, IL (L27)	235	5	22	2	264
Illinois River (L8)	27	0	8	0	35
Ohio River (L52)	85	6	13	0	104
Arkansas River (L1)	1	3	13	3	20
2005 YTD	17,515	1,354	4,769	512	24,150
2004 YTD	18,433	2,216	2,869	539	24,057
2005 as % of 2004 YTD	95	61	166	95	100
Total 2004	26,235	2,701	6,784	843	36,563

YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Note: Total may not add exactly, due to rounding

Figure 8
U.S. grain truck market advisory, 2nd quarter 2005*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles
Note: Fuel prices are a quarterly average (unit per gallon)
Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 2nd quarter 2005

Region/commodity*	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
	Rate per mile			*Rating compared to same quarter last year* 1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average[1]	**3.03**	**2.10**	**1.75**	**2.8**	**2.9**	**3.3**
North Central region[2]	3.00	1.95	1.59	2.6	3.1	3.3
Corn	3.08	2.47	1.87	2.0	3.3	3.5
Wheat	2.49	1.88	1.50	2.9	3.0	3.3
Soybean	3.08	2.47	1.87	2.0	3.3	3.5
South Central region[2]	2.89	2.18	1.88	3.2	2.2	2.8
Corn	2.60	1.96	1.78	3.3	2.3	2.8
Wheat	2.56	1.99	1.68	3.3	2.7	3.2
Soybean	3.87	2.49	2.18	3.0	2.0	2.8

Rates are based on trucks with 80,000 lb gross vehicle weight limit
*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA
[1]National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.
[2]Commodity rates per mile include the average of the top 3 producing states within the region.
Source: Transportation and Marketing Programs/AMS/USDA

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 10/03/05 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	3.198	0.390	1.140
	New England	3.012	0.153	0.857
	Central Atlantic	3.040	0.165	0.896
	Lower Atlantic	3.283	0.508	1.270
II	Midwest	3.083	0.344	1.064
III	Gulf Coast	3.185	0.429	1.185
IV	Rocky Mountain	3.079	0.141	1.014
V	West Coast	3.174	0.196	0.936
	California	3.262	0.231	0.972
Total	U.S.	3.144	0.346	1.091

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending 1/	HRW	SRW	HRS	SWW	DUR	All wheat			
9/22/2005	2,600	365	1,178	993	100	5,237	7,564	5,473	18,274
This week year ago	1,659	766	1,205	1,010	76	4,717	7,798	7,639	20,154
Cumulative exports-crop year 2/									
2005/06 YTD	3,509	727	2,547	967	276	8,025	2,307	531	10,863
2004/05 YTD	3,345	1,548	2,617	1,624	197	9,330	2,638	795	12,763
2005/06 as % of 2004/05	105	47	97	60	140	86	87	67	85
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

2/ = Shipped export sales to date

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balance, including wheat, corn, and soybean sales

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
Week ending	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
09/29/05	313	180	16	14	452	72	28	0	0	509	538	28
2005 YTD	7,342	7,738	3,580	3,576	19,752	9,356	5,158	465	6	18,660	32,684	5,629
2004 YTD	8,891	7,963	1,934	5,670	23,605	7,271	6,393	51	14	18,788	36,546	6,458
2005 as % of 2004	83	97	185	63	84	129	81	906	43	99	89	87
2004 Total *	12,121	9,741	4,753	7,154	32,851	15,540	7,936	131	23	26,615	55,546	8,089

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date; * includes 53rd week

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2004.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

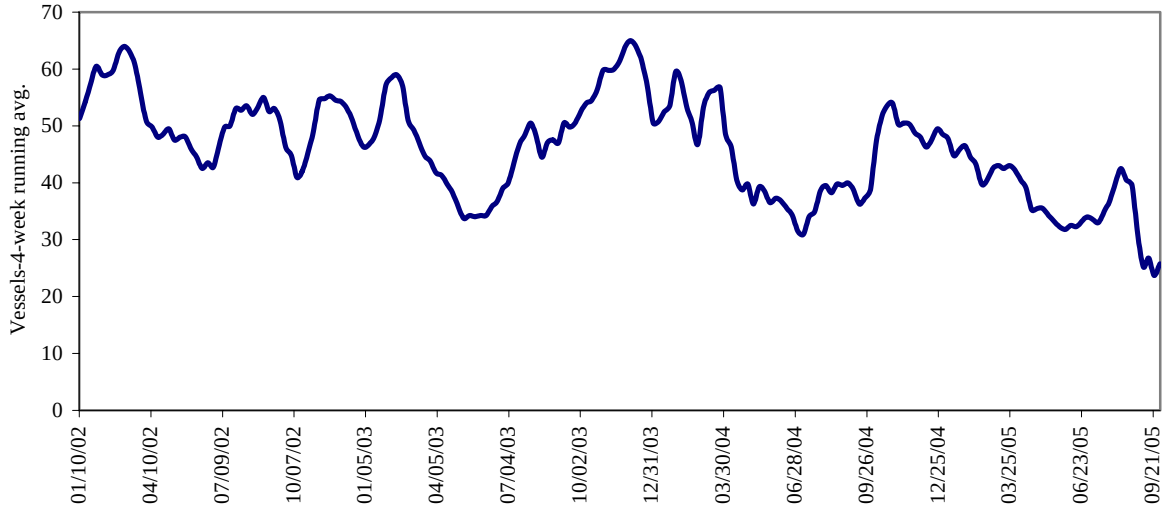
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
9/29/2005	29	18	52	17	8
9/22/2005	18	24	33	12	5
2004 range	(10..43)	(25..73)	(38..96)	(4..16)	(0..18)
2004 avg.	24	45	61	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

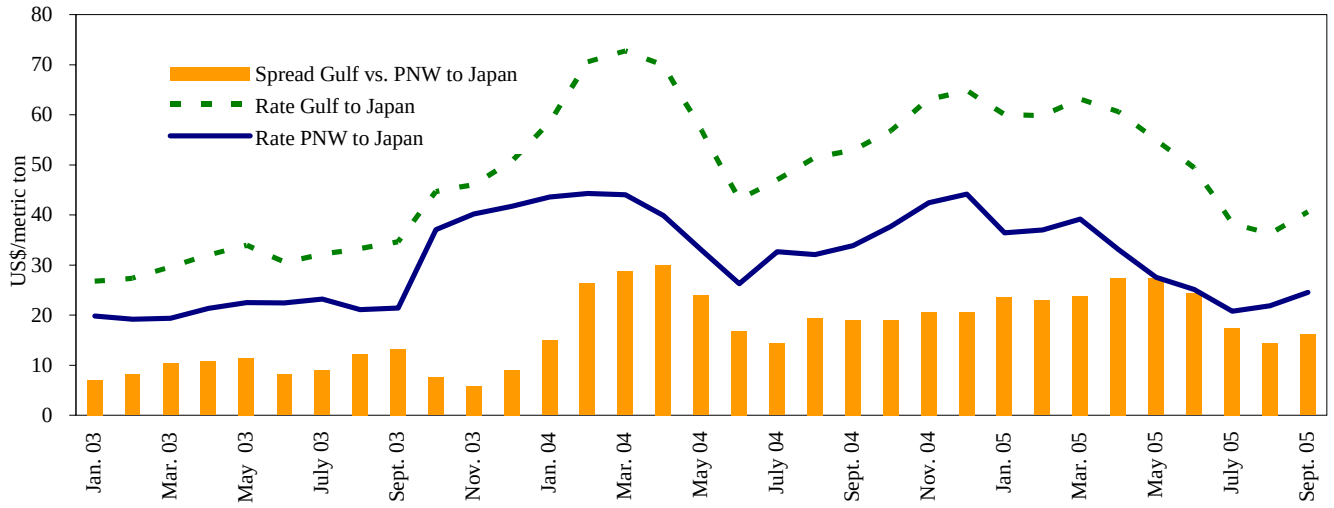
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US$/metric ton)

Countries/ regions	2005 3rd qtr	2004 3rd qtr	Percent change	Countries/ regions	2005 3rd qtr	2004 3rd qtr	Percent change
Gulf to				**Pacific NW to**			
Japan	36.33	50.08	-27	Japan	---	37.00	---
China		54.00	---	**Argentina/Brazil to**			
Taiwan	---	---	---	China	32.00		
N. Africa	24.25	---	---	N. Africa	40.00	---	---
Med. Sea	---	---	---	Turkey	25.00	---	

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

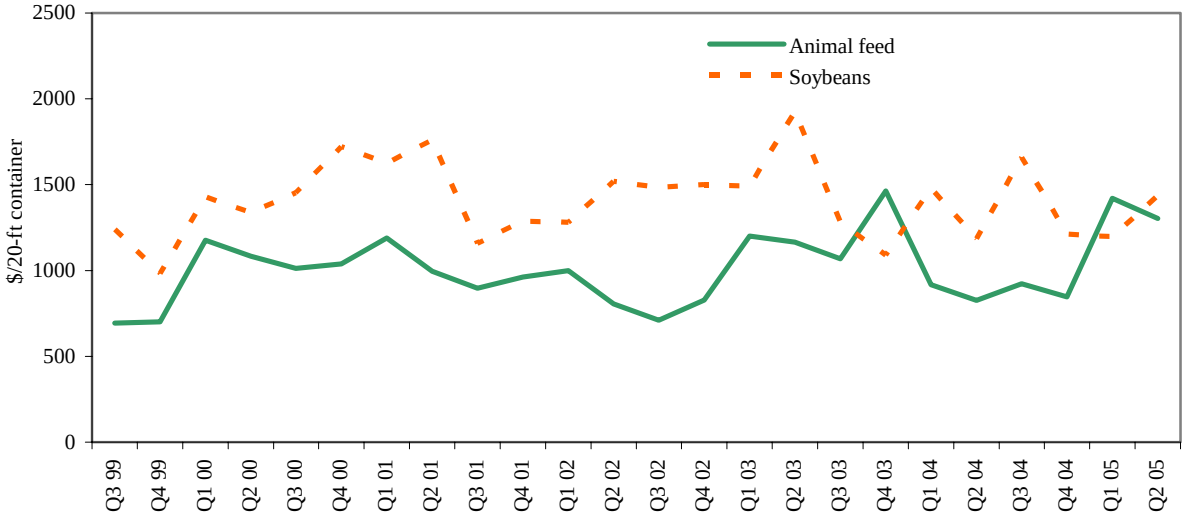
Table 17--Ocean freight rates for selected shipments, week ending 10/01/05

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate ($/metric ton)
U.S. Gulf	Haiti*	Wheat	Oct 20/30	10,000	69.95
U.S. Gulf	Japan	Hvy Grain	Oct 1/15	44,000	46.00
U.S. Gulf	Libya or Sudan	Sorghum	Sept 25/Oct 5	21,410	48.22
U.S. Gulf	Algeria	Wheat	Sept 27/30	25,000	32.50
U.S. Gulf	Morocco	Hvy Grain	Oct 1/20	30,000	31.00
Brazil	China	Hvy Grain	Sept 11/14	60,000	32.00
Brazil	Europe	Grains	Sept 20/25	20,000	35.00
River Plate	Algeria	Wheat	Sept 15/20	25,000	40.00
Ukraine	Algeria	Wheat	Sept 5/10	21,500	19.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
*75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates[1] for containerized shipments of animal feed and soybeans to selected Asian countries



[1]Animal Feed: Busan-Korea (13%), Kaohsiung-Taiwan (41%), Tokyo-Japan (30%), Hong Kong (11%), Bangkok-Thailand (5%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (85%), Tokyo-Japan (11%), Bangkok-Thailand (3%), Hong Kong (1%) Quarter 2, 2005.

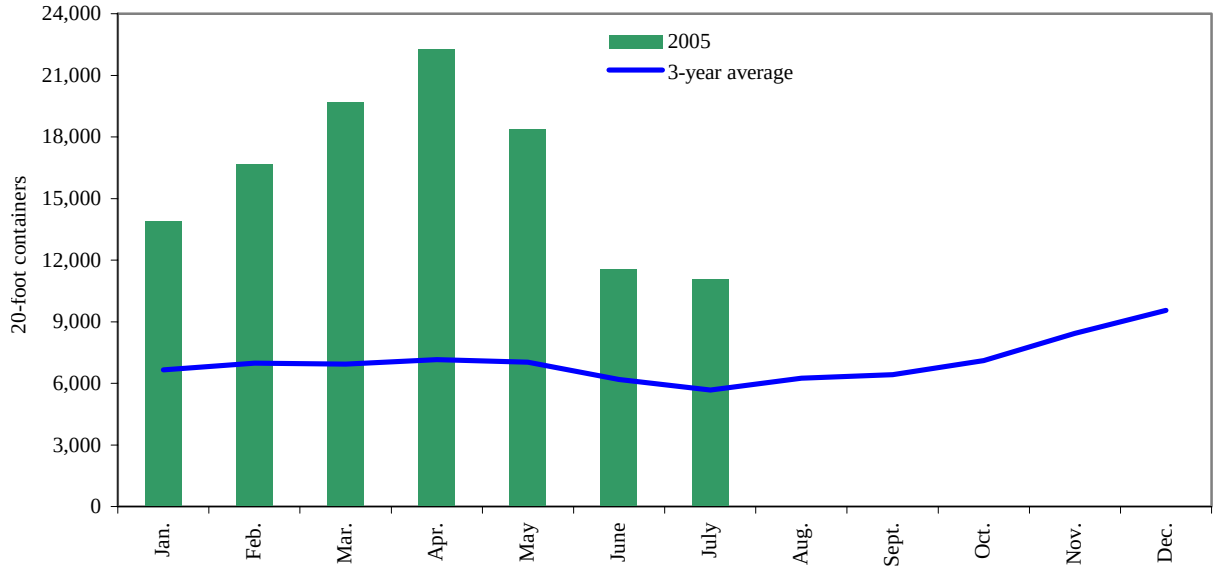
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2004, containers were used to transport 2 percent of total U.S. grain exported, and 3 percent of total U.S. grain exported to Asia.

Figure 14

Monthly shipments of containerized grain to Asia for 2005 compared with a 3-year average

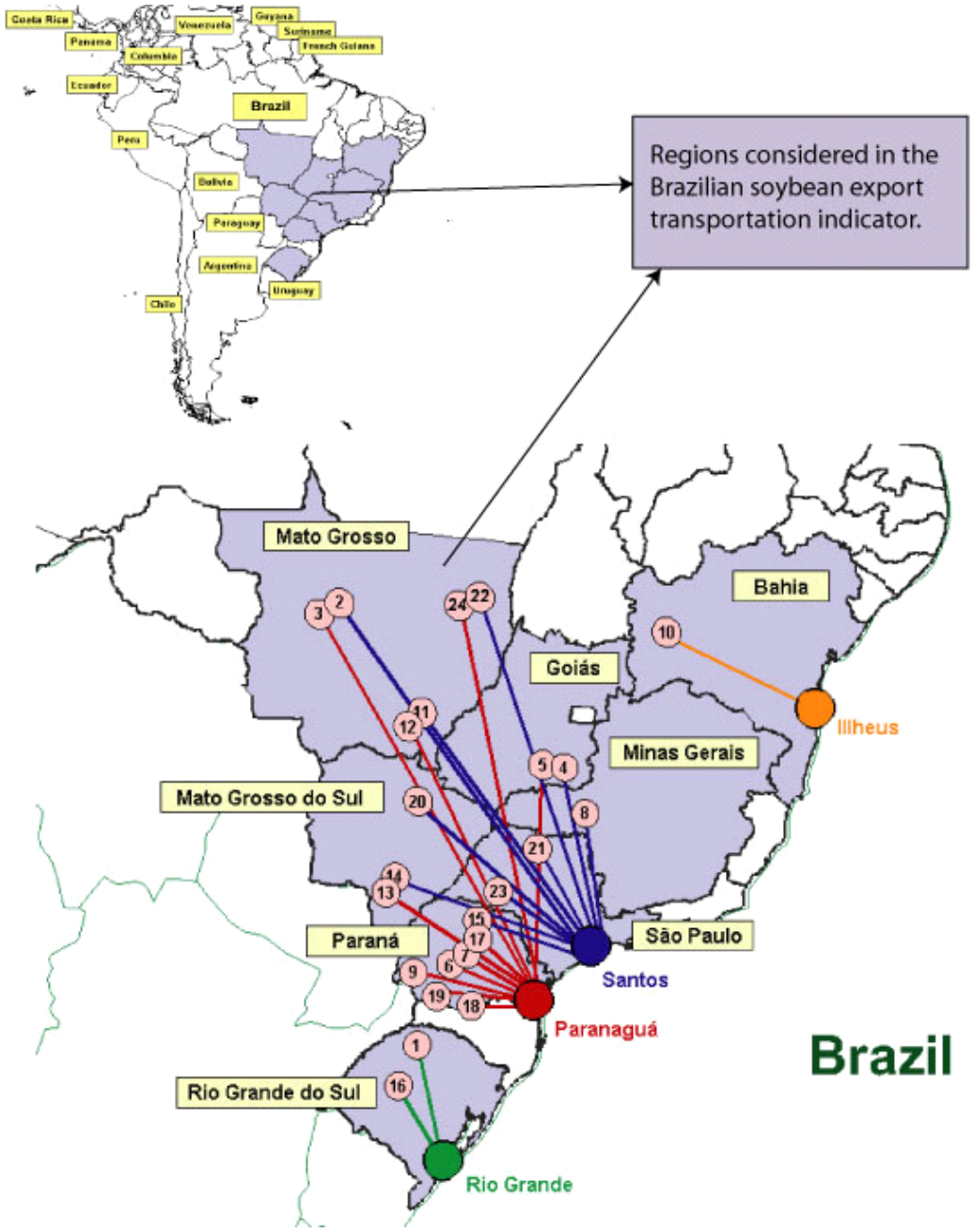


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: PIERS data is available with a lag of approximately 40 days

Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator[1]



[1]Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 2nd quarter 2005

Route #	Origin[1] (reference city)	Destination	Distance (miles)[2]	Weight(%)[3]	Freight price (per 100 miles)[4]
1	Northwest RS[5](Cruz Alta)	Rio Grande	288	16.6	4.40
2	North MT(Sorriso)	Santos	1190	10.1	6.80
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.27
4	South GO(Rio Verde)	Santos	587	7.0	6.83
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.29
6	North Center PR(Londrina)	Paranaguá	268	4.4	8.51
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.37
8	Triangle MG(Uberaba)	Santos	339	3.8	10.75
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.16
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	7.14
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.26
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	5.63
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	6.07
14	Southwest MS(Maracaju)	Santos	652	2.9	6.31
15	West PR(Assis Chateaubriand)	Santos	550	2.5	5.68
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.49
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	5.73
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	10.77
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	7.95
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.60
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	7.59
22	Northeast MT(Canarana)	Santos	950	1.4	7.26
23	Assis SP(Palmital)	Santos	285	1.2	7.74
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	6.34
	Average		**626**	**100**	**6.33**

[1]Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

[2]Distance from the main city of the considered region to the mentioned ports

[3]The weight is directly proportional to the amount of production in each region

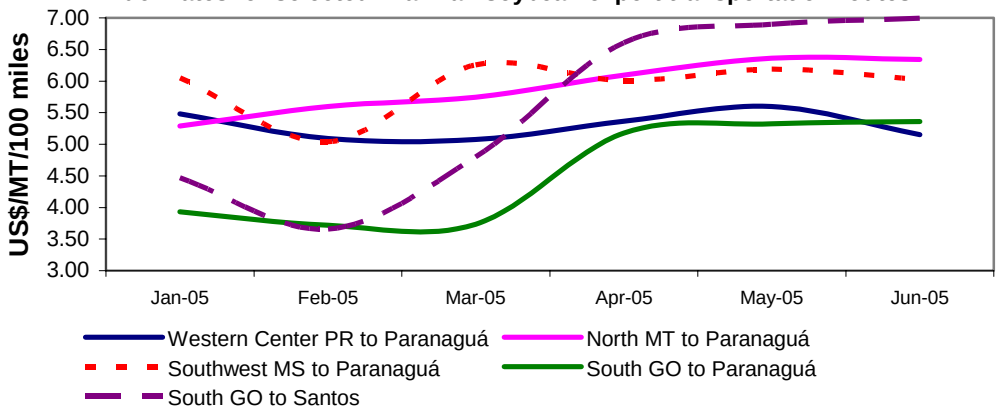
[4]US$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

[5]RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 16

Truck rates for selected Brazilian soybean export transportation routes



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

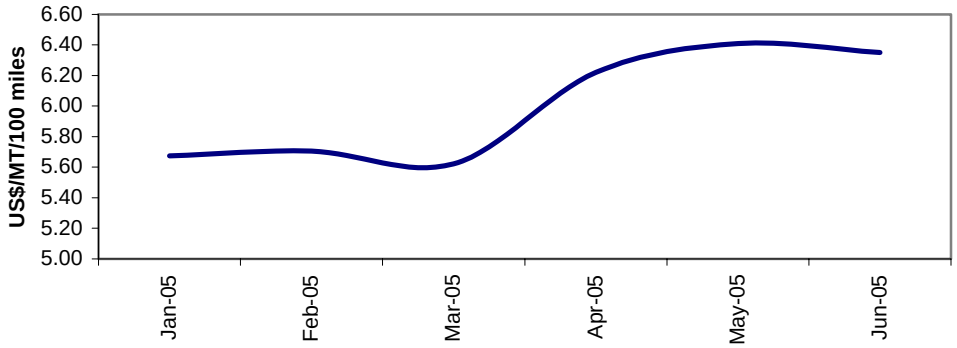
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90

*weighted average and quoted in US$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US$/metric ton)*

Ports	2005 1st qtr	2005 2nd qtr
Santos	45.53	45.84
Paranagua	44.64	44.84**
Rio Grande	44.20	44.39

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

**Revised figure

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Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
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